



What matters

Welcome to our first edition

Welcome to the first edition of “What Matters”. We are delighted to launch our newsletter and look forward to sharing our views on business and personal succession. We’d also love to hear your thoughts and welcome your feedback at any time.

But firstly, a bit about us.

Succession Matters specialises in helping people prepare clearly articulated personal succession plans (for your personal estate) and business succession plans (for your business) and tailored personal insurance advice.

We all intuitively know that it’s important to have a plan in place in the event we’re not around. How would your family go on? And, what would happen to your business? But it can be a confronting topic to consider.

Succession Matters can facilitate the right succession outcome for you and will work with other professionals such as your accountant, financial planner and solicitor. It’s much easier to have an expert guide you through this process and we can provide a complete end to end solution for all your succession needs.

What matters to Adam Smith, succession planner and founding editor

As a business owner, I have a very strong focus on helping clients explore what matters to them and their family. But as a husband and father I also believe it is critical to make the time to do this for my family and for my team to be able to do the same. To support this, eighteen months ago I made the decision to allow staff to work remotely so they can support their career and lifestyle goals.

It was essential the team adopt a ‘can do’ attitude to make the business work remotely. And although we each have our areas of specialty we are all committed to step in at any time to help our clients in any areas they need. Later in this newsletter the team and I have contributed our top tips to integrate work and family.

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The theme of Mental Health Week in 2014 was Celebrate, Connect, Grow

How can you Celebrate, Connect and Grow?

Celebrate: the positive events in your life, as well as the strengths and values that have helped you through more challenging times

Connect: with others by paying attention to your close relationships, or by reaching out and making new friends

Grow: by expanding your horizons and trying something new that creates meaning and purpose for you

What matters to the insurance industry in terms of mental health?

After almost 25 years advising people, I believe the life insurance industry is at an inflection point where current underwriting attitudes are out of kilter with community expectations. The style of policies we see now will probably be different in the next decade to cater for a realignment of consumer sentiment and the ongoing financial sustainability of insurers.

One of the key factors creating challenges in the insurance industry and the community today is the increasing incidence of mental health issues.

While it's true we're living longer, it's also true our quality of life is being marred by an increase in health issues associated with our over-eating and frenetic lifestyles. Two of the biggest sources of concern to insurers are:

- Mental illness and stress related issues
- Obesity and the resulting issues it can cause.

Compared to a decade ago, there's a far greater awareness and acceptance in the community regarding mental illnesses such as anxiety and depression. This has resulted in a large spike in insurance claims. In fact, these issues are now

the most claimed in terms of Income Protection and Total & Permanent Disablement insurance.

The challenge the industry is grappling with is how to assess the impact stress has on one individual compared to the next. Also, stress levels can be impacted by a one off event such as a relationship breakup or it can be more systemic, something that has been there for a long time and perhaps will be for a person's life. The difficulty is assessing the risk for different individuals. The result at the moment is that insurers are overly cautious of any stress and mental health related issues.

What does this mean for you?

These are interesting times. Due to increased cost pressures and rising claims it is likely it will become even harder to insure against some of these risks. And we have no control over how the insurers are going to respond in the future. The safest path is to get the right level of insurance cover in place (and keep it) while you have your health.

In our next newsletter we'll look at another big issue facing the industry - the impact of obesity on 'insurability'.



Adam's top 5 tips for the right insurance cover – it matters!

Many of us consider insurance to be a 'grudge purchase'. Essentially, we pay for something we hope we never need! But, with today's increasingly stressful lifestyles, it's more important than ever to maintain appropriate insurance cover as you never know what can happen.

1. Aim for guaranteed non-cancellable terms

This means that once your cover is place, as long as you maintain your premium payments the insurer cannot cancel your policy – regardless what happens to your health in the future. It is more difficult to get but worth the effort so you have certainty in the event of a claim down the track.

2. Agreed terms for Income Protection

Many of our clients are small business owners. This typically means they are time poor, cost conscious and want their insurance in place with a minimum of fuss. This can cause challenges as to ensure agreed terms we need to financially verify a client's monthly benefit upfront – often painful and time consuming. Recently we were reminded why it's so important to take the time to do this and to take the harder road up front.

A client in the building industry fortunately had agreed terms in place when he needed to make a claim. His income had reduced to the point that without agreed terms he would have struggled to receive any benefit at all!

3. You get what you pay for

As with many things in life, invariably, there's always a cheaper option; however, it's important to be aware of trade-offs between saving costs and ensuring that you have the right terms and definitions in your policy. We will



Adam's top 5 snapshot

1. Guaranteed non-cancellable
2. Agreed terms for Income Protection
3. You get what you pay for
4. Informed Decision Making
5. Purpose of the policy

always strive to recommend the best available benefits and conditions that are relevant to our clients' needs. Most people would prefer to pay a little bit more today to provide added certainty for tomorrow.

4. Informed decision making

I've always been an advocate of educating my clients and providing them with various options to consider. This empowers people, allows them to make informed decisions and also helps to balance the peace of mind the insurance provides versus the cost of protection.

5. Purpose of the policy

It's important to continue to understand WHY we insure ourselves, so reviewing and maintaining the relevancy of cover is key. Through our process we continue to explore what matters most to our clients and if necessary, we realign their insurance needs with their changing circumstances.

Insurance is not for the faint hearted and at times it can be quite challenging to get clients from A to B. However, after almost a quarter of a century, I still enjoy uncovering what's important to people and making sure that in the event of the worst case scenario, at least financially, they and their families are provided for.

Our tips to integrate work and family:

- Communicate business objectives clearly so everyone is focused and on the same page
- Conduct regular team meetings to share ideas and explore ways we can be more efficient
- Support team building sessions to maintain a team connection
- Expect flexibility from the team and be mindful of each other's personal goals and how these may impact the business.

What matters to the team

To ensure we maintain a team approach and our focused service to clients, we operate in two teams – insurance and estate facilitation. Karen and Keran manage our estate facilitation, and Sharon and Melissa look after insurance.

Karen: I am constantly working on trying not to sweat the small stuff – not easy but very necessary! A few years ago when my son and I took up guitar lessons and he very quickly became better than me, I decided to not sweat it and let him take the glory. I like to grow and learn about myself, others and life in general.

Keran: The most important thing for me is making time for my very busy young family as well as keeping fit at my boot camp sessions. I always strive to make things work better – in all areas of my home and work life.



Estate Team (from left): Karen and Keran

Melissa: My gorgeous girls and husband, my friends and my family are very important to me. I combine my part time work with looking after my young family, maintaining my health and fitness at the beach and practising yoga. I love connecting with people.

Sharon: It's really important to me to make the most of my time on earth. When I'm not working I'm always busy, either with my grandchildren, playing competitive squash or any type of puzzle. I was very excited when Nike developed their 'Just do it' motto in the 1980s as that's always been my motto. I like to get things done!



Insurance team (from left): Melissa and Sharon

Succession Matters

Suite 11, Level 1, 22 Railway Road
Subiaco WA
P 08 6336 9700
F 08 9380 2020

We help you prepare clearly articulated plans for business succession and personal estates, incorporating good risk management strategies.

Find us on the Web:

www.successionmatters.com.au



To contact our teams via email:

Insurance queries

insurance@successionmatters.com.au

Estate queries

estate@successionmatters.com.au

Until the next edition, keep in mind **What matters.**